



PEACHIN, SCHWARTZ & WEINGARDT, P.C.  
*Certified Public Accountants*

To the Member  
Lee's Communications, LLC  
Indianapolis, Indiana

We have compiled the accompanying statements of assets, liabilities and member's equity (income tax basis) of Lee's Communications, LLC (an Indiana limited liability company) as of July 31, 2002 and 2001 and the related statements of revenues and expenses (income tax basis) for the one month and seven months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used by the Company for income tax purposes, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The member has elected to omit the statements of member's equity and substantially all of the disclosures ordinarily included in financial statements prepared on the income tax basis of accounting. If the omitted statements and disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, member's equity, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The Company is not a taxpaying entity for income tax purposes, and thus no income tax liability or expense has been recorded in the financial statements. Income of the Company is taxed to the member in their individual returns.

September 6, 2002

*Peachin, Schwartz & Weingardt, P.C.*

LEE'S COMMUNICATIONS, LLC  
 STATEMENTS OF ASSETS, LIABILITIES AND  
 MEMBER'S EQUITY (INCOME TAX BASIS)  
 JULY 31, 2002 AND 2001

	2002	2001
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
CASH ON HAND	\$213.00	\$5.00
CASH IN BANK	10,396.98	(4,005.99)
ADVANCE-GLORIA J. HARRIS, LLC	40,131.57	34,951.62
ADVANCE-LEE'S PACKAGE LIQUOR	63,197.34	.00
<b>TOTAL CURRENT ASSETS</b>	<b>113,938.89</b>	<b>30,945.63</b>
<b>PROPERTY AND EQUIPMENT</b>		
EQUIPMENT & FIXTURES	12,668.45	1,668.90
LEASEHOLD IMPROVEMENTS	33,676.96	7,310.64
ACCUMULATED DEPRECIATION AND AMORT.	(1,774.86)	(699.87)
<b>NET PROPERTY AND EQUIPMENT</b>	<b>44,570.55</b>	<b>8,279.67</b>
<b>OTHER ASSETS</b>		
COMPUTER SOFTWARE	2,145.00	2,145.00
ACCUMULATED AMORTIZATION	(1,370.41)	(654.96)
<b>TOTAL OTHER ASSETS</b>	<b>774.59</b>	<b>1,490.04</b>
<b>TOTAL ASSETS</b>	<b>\$159,284.03</b>	<b>\$40,715.34</b>
<b>LIABILITIES AND MEMBER'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
ACCOUNTS PAYABLE	1,578.17	2,781.41
STATE SALES TAX PAYABLE	4,423.55	1,021.43
FEDERAL SALES TAX PAYABLE	6,095.78	(42.60)
ADVANCE FROM AFFILIATE-LEE'S 1	.00	73,384.50
<b>TOTAL CURRENT LIABILITIES</b>	<b>12,097.50</b>	<b>77,144.74</b>
<b>TOTAL LIABILITIES</b>	<b>12,097.50</b>	<b>77,144.74</b>
<b>MEMBER'S EQUITY</b>		
MEMBER'S EQUITY (DEFICIT)-FY	(31,756.29)	8,636.19
INCOME (LOSS) TO DATE-CURRENT	178,942.82	(45,065.59)
<b>TOTAL MEMBER'S EQUITY</b>	<b>147,186.53</b>	<b>(36,429.40)</b>
<b>TOTAL LIABILITIES AND MEMBER'S EQUITY</b>	<b>\$159,284.03</b>	<b>\$40,715.34</b>

STATEMENTS OF REVENUES AND EXPENSES  
(INCOME TAX BASIS) ONE MONTH  
AND SEVEN MONTHS ENDED JULY 31, 2002 AND 2001

	ONE MONTH ENDED JULY 31,				SEVEN MONTHS ENDED JULY 31,			
	2002		2001		2002		2001	
<b>SALES</b>	\$106,698.15	100.0 %	\$37,720.10	100.0 %	\$686,341.81	100.0 %	\$189,340.99	100.0 %
<b>TOTAL REVENUES</b>	<u>106,698.15</u>	<u>100.0</u>	<u>37,720.10</u>	<u>100.0</u>	<u>686,341.81</u>	<u>100.0</u>	<u>189,340.99</u>	<u>100.0</u>
<b>COST OF REVENUES</b>								
<b>PURCHASES</b>	33,600.81	33.4	14,606.45	38.7	240,594.51	35.1	107,291.89	56.7
<b>TOTAL COST OF REVENUES</b>	<u>33,600.81</u>	<u>33.4</u>	<u>14,606.45</u>	<u>38.7</u>	<u>240,594.51</u>	<u>35.1</u>	<u>107,291.89</u>	<u>56.7</u>
<b>GROSS PROFIT</b>	<u>71,097.34</u>	<u>66.6</u>	<u>23,113.65</u>	<u>61.3</u>	<u>445,747.30</u>	<u>64.9</u>	<u>82,049.10</u>	<u>43.3</u>
<b>OPERATING EXPENSES</b>								
<b>PAYROLL - OTHERS</b>	22,275.70	20.9	10,169.95	27.0	134,262.43	19.6	58,765.33	31.0
<b>SECURITY</b>	.00	.0	336.00	.9	.00	.0	2,054.25	1.1
<b>OUTSIDE SERVICES</b>	364.58	.3	60.00	.2	2,849.96	.4	1,287.92	.7
<b>DUES &amp; SUBSCRIPTIONS</b>	.00	.0	.00	.0	.00	.0	347.70	.3
<b>INTERNET SERVICE</b>	.00	.0	.00	.0	.00	.0	873.41	.5
<b>INSURANCE</b>	2,555.00	2.4	.00	.0	2,555.00	.4	.00	.0
<b>TELEPHONE</b>	2,743.58	2.6	814.72	2.2	9,081.12	1.3	5,005.70	2.6
<b>PAYROLL PROCESSING PER</b>	.00	.0	91.95	.2	971.05	.1	623.00	.3
<b>RENT</b>	2,661.26	2.5	.00	.0	14,157.53	2.1	.00	.0
<b>ADVERTISING</b>	5,671.98	5.3	4,883.50	12.9	17,424.75	2.5	20,319.10	10.7
<b>OFFICE SUPPLIES</b>	3,627.75	3.4	561.25	1.5	10,500.12	1.5	2,494.25	1.3
<b>PROFESSIONAL FEES</b>	.00	.0	350.00	.9	4,488.80	.7	4,627.50	2.4
<b>PAYROLL TAXES</b>	1,704.09	1.6	777.99	2.1	10,271.19	1.5	4,495.58	2.4
<b>UNEMPLOYMENT TAXES</b>	184.18	.2	159.25	.4	2,336.38	.3	1,415.21	.7
<b>AUTO EXPENSE</b>	1,070.25	1.0	215.50	.6	4,191.41	.6	215.50	.1
<b>SUPPLIES</b>	1,984.41	1.9	140.00	.4	4,213.12	.6	1,316.25	.7
<b>UTILITIES</b>	975.28	.9	15.38	.0	5,691.43	.8	468.51	.2
<b>PROPERTY TAXES</b>	.00	.0	.00	.0	32.96	.0	.00	.0
<b>REPAIRS &amp; MAINTENANCE</b>	2,330.07	2.2	300.91	.8	2,759.38	.4	800.91	.4
<b>BANK SERVICE CHARGES</b>	16.30	.0	.00	.0	284.62	.0	176.13	.1
<b>LICENSES &amp; PERMITS</b>	.00	.0	.00	.0	610.00	.1	.00	.0
<b>CONTRIBUTIONS</b>	3,000.00	4.7	.00	.0	1,000.00	.7	.00	.0
<b>REPAIRS &amp; MAINT-COMPUTER</b>	.00	.0	220.04	.6	.00	.0	220.04	.1
<b>DEPRECIATION</b>	147.09	.1	213.59	.6	1,029.63	.2	643.09	.4
<b>MEALS &amp; ENTERTAINMENT</b>	222.02	.2	.00	.0	1,001.94	.1	.00	.0
<b>TRAVEL</b>	.00	.0	.00	.0	248.52	.0	.00	.0
<b>WASH SHORT</b>	.00	.0	.00	.0	4.00	.0	.00	.0
<b>MISCELLANEOUS</b>	178.78	.2	10.00	.0	343.13	.1	20.11	.0
<b>AMORTIZATION</b>	59.59	.1	59.58	.2	417.13	.1	417.06	.2
<b>AUTO LEASE</b>	675.57	.6	.00	.0	1,351.03	.2	.00	.0
<b>PENALTIES</b>	.00	.0	.00	.0	.00	.0	138.67	.1
<b>TOTAL OPERATING EXPENSES</b>	<u>54,447.48</u>	<u>51.0</u>	<u>19,379.61</u>	<u>51.4</u>	<u>236,076.63</u>	<u>34.4</u>	<u>106,975.22</u>	<u>56.5</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER (INCOME) EXPENSE</b>	<u>16,649.86</u>	<u>15.6</u>	<u>3,734.04</u>	<u>9.9</u>	<u>209,670.67</u>	<u>30.5</u>	<u>(24,926.12)</u>	<u>(13.2)</u>
<b>OTHER (INCOME) EXPENSE</b>								
<b>AGENT COMMISSIONS</b>	3,537.00	3.3	1,914.00	5.1	25,319.00	3.7	9,999.00	5.3
<b>MISCELLANEOUS INCOME</b>	(52.27)	.0	(59.99)	(.2)	(3,199.65)	(.5)	(979.41)	(.5)
<b>UNCLEARED CHECKS</b>	409.86	.4	1,158.37	3.1	4,905.58	.7	3,789.41	2.0
<b>REFUNDS</b>	193.94	.2	211.64	.6	1,184.66	.2	320.90	.2
<b>MISCELLANEOUS PURCHASES</b>	.00	.0	4,663.18	12.4	2,408.31	.4	6,878.47	3.6
<b>SOFTWARE EXPENSE</b>	.00	.0	.00	.0	49.95	.0	131.10	.1
<b>TOTAL OTHER (INCOME) EXPENSE</b>	<u>4,088.53</u>	<u>3.8</u>	<u>7,887.20</u>	<u>20.9</u>	<u>30,727.85</u>	<u>4.5</u>	<u>20,139.47</u>	<u>10.6</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<u>\$12,561.33</u>	<u>11.8 %</u>	<u>\$(4,153.16)</u>	<u>(11.0)%</u>	<u>\$178,942.82</u>	<u>26.1 %</u>	<u>\$(45,065.59)</u>	<u>(23.8)%</u>